

TEXAS APPRAISER LICENSING  
AND CERTIFICATION BOARD

vs.

ISRAEL R. GALINDO  
TX-1337554-R

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DOCKETED COMPLAINT NO.  
06-137

**AGREED FINAL ORDER**

On this the 27<sup>th</sup> day of JUNE, 2008, the Texas Appraiser Licensing and Certification Board, (the Board), considered the matter of the certification of Israel R. Galindo (Respondent).

In order to conclude this matter, Israel R. Galindo neither admits nor denies the truth of the Findings of Fact and Conclusions of Law contained herein and further agrees to the disciplinary action set out in this Agreed Final Order. The Board makes the following findings of fact and conclusions of law and enters this Order in accordance with TEX. OCC. CODE § 1103.458:

**FINDINGS OF FACT**

1. Respondent Israel R. Galindo is a Texas state certified residential real estate appraiser, holds certification number TX-1337554-R, and has been certified or licensed by the Board during all times material to the above-noted complaint case.
2. On or about February 16<sup>th</sup>, 2006, Respondent appraised real property located at 10940 County Road 3102, Winona, Texas 75792 ("the property"). Respondent held a provisional state license TX-1333866-P) at the time of his completion of the report for the property.
3. On or about May 19<sup>th</sup>, 2006, the Complainant, Garry Grant, filed a complaint with the Board. Mr. Grant alleged that Respondent had produced a real estate appraisal report with respect to the property that contained several errors.
4. On or about May 24<sup>th</sup>, 2006 the Board, in accordance with the mandate of the Administrative Procedure Act (the APA), TEX. GOV'T CODE ANN. CHPT. 2001, and TEX. OCC. CODE CHPT. 1103, notified Respondent of the nature of the accusations involved and Respondent was afforded an opportunity to respond to the accusations in the complaint. Respondent's response to the complaint was received.
5. Respondent violated TEX. OCC. CODE § 1103.405 and 22 TEX. ADMIN. CODE §§ 153.20(a)(3) and 155.1(a) by the following acts or omissions which did not conform to USPAP in effect at the time of the appraisal report for the property.
  - a) Respondent violated the record keeping provisions of USPAP's Ethics Rules due to the lack of an adequate work file supportive of his opinions and conclusions in the report for the property;

- b) Respondent failed to comply with USPAP's Competency Rule, including failing to identify the appraisal problem properly;
- c) Respondent did not identify the client or other intended users in his report;
- d) Respondent failed to identify the intended use of his opinions and conclusions and repeatedly, erroneously referred to FHA mortgage financing even though he was not an FHA approved appraiser at the time and the appraisal was not being done for FHA financing;
- e) Respondent did not identify and report the improvement(s) description properly;
- f) Respondent failed to use appropriate methods and techniques in his cost approach, including his determination of site value, cost new of improvements, and depreciation. Respondent failed to collect, verify, analyze and reconcile site value, cost new of improvements and accrued depreciation;
- g) Respondent did not collect, verify, analyze and reconcile comparable sales data adequately and generally used improper methods and techniques in his sales comparison approach by failing to analyze, report and address sales concessions, differences between the subject and comparables in terms of acreage size, waterfront, storage buildings and made inadequate living area square footage adjustments;
- h) Respondent failed to explain and support his exclusion of the income approach;
- i) Respondent failed to report the agreement of sale for the property, including things such as the sales price, contract date and parties to the agreement;
- j) Respondent failed to reconcile the quality and quantity of the data within the approaches to value that were used; and,
- k) Respondent committed substantial errors of omission and commission that significantly affected the appraisal report for the property and resulted in a misleading report.

## CONCLUSIONS OF LAW

1. The Texas Appraiser Licensing and Certification Board has jurisdiction over this matter pursuant to the Texas Appraiser Licensing and Certification Act, TEX. OCC. CODE § 1103 et. seq.
2. Respondent violated the following provisions of USPAP as prohibited by TEX. OCC. CODE § 1103.405 and 22 TEX. ADMIN. CODE §§ 155.1(a) and 153.20(a)(3): USPAP Ethics Rule and Competency Rule; USPAP Standards: 1-2(a) & 2-2(b)(i); 1-2(b) & 2-2(b)(ii); 1-2(e)(i) & 2-2(b)(iii); 1-4(b)(i) & 2-2(b)(ix); 1-4(b)(ii) & 2-2(b)(ix); 1-4(b)(iii) & 2-2(b)(ix); 1-1(a)

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& 1-4(b); 1-4(a) & 2-2(b)(ix); 1-1(a) & 1-4(a); 2-2(b)(xi); 1-5(a) & 2-2(b)(ix); 1-6(a) & (b) & 2-2(b)(ix); 1-1(a); 1-1(b); 1-1(c); and, 2-1(a).

3. Respondent made material misrepresentations or omissions of material fact as prohibited by 22 TEX. ADMIN. CODE § 153.20(a)(9).

Based on the above findings of fact and conclusions of law, the Board **ORDERS** that the Respondent shall:

- a. Have his certification suspended for 12 months, with that suspension fully probated under the following conditions:
  - i. During the entire twelve month suspension Respondent shall submit on a form prescribed by the Board, an appraisal experience log to the Board every three months. The log shall detail all real estate appraisal activities he has conducted during the previous three month period. This experience log shall be signed by Respondent and contain a notarized affidavit attesting that the log is true, complete and fully accurate. Upon request from the Board, Respondent shall provide copies of his appraisal reports and work files for any appraisal assignments he performs during the course of his period of probation within twenty days of notice of any such request;
  - ii. Respond shall not sponsor any trainees during the entire period of his probated suspension; and,
  - iii. Respondent shall timely comply with all the terms of this order.
- b. Attend and complete, at a minimum, a 15 classroom-hour course in USPAP;
- c. Attend and complete, at a minimum, a 15 classroom-hour course in Residential Case Studies;
- d. Attend and complete, at a minimum, a 15 classroom-hour course in the Sales Comparison Approach;
- e. Attend and complete, at a minimum, a 15 classroom-hour course in Residential Report Writing;
- f. Respondent shall retake the examination for his residential state certification and shall deliver documentation showing he has passed the examination within nine months of the date of this order; and,
- g. Comply with all provisions of the Act, the Rules of the Board, and USPAP in the future, or be subjected to further disciplinary action.

**ALL CLASSES** required by this Agreed Final Order must be classes approved by the

Board and must be completed within **TWELVE MONTHS** of the date of this Order and documentation of attendance and successful completion of the educational requirements of this Order shall be delivered to the Board on or before the end of the twelve-month period indicated. None of the classes or seminars required by this Order may be taken through correspondence courses. Unless otherwise noted above, all classes must be in-class, have an exam, and Respondent must have a passing grade on the exam given in each class. None of these required classes will count toward Respondent's continuing education requirements for certification.

Failure to timely comply with any of the terms of this Final Agreed Order shall result in initiation of a contested case proceeding against Respondent and after opportunity for a hearing, possible imposition of disciplinary sanctions against Respondent as provided for by TEX. OCC. CODE § 1103.518, including, but not limited to, possible revocation of the above-noted probated suspension.

Respondent, by signing this Agreed Final Order, waives the Respondent's right to a formal hearing and any right to seek judicial review of this Agreed Final Order. Information about this Agreed Final Order is subject to public information requests and notice of this Agreed Final Order will be published in the Board's newsletter and/or on the Board's web site.

THE DATE OF THIS AGREED FINAL ORDER shall be the date it is executed by the Chairperson of the Texas Appraiser Licensing and Certification Board. The Chairperson has been delegated the authority to sign this Agreed Final Order by the Texas Appraiser Licensing and Certification Board vote.

Signed this 26<sup>th</sup> day of June, 2008.

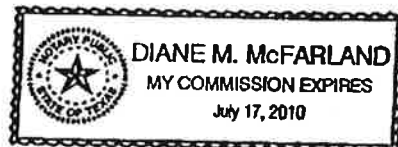
Israel R. Galindo  
ISRAEL R. GALINDO

Weldon McFarland  
WELDON MCFARLAND  
ATTORNEY FOR RESPONDENT  
Bar # 13601000


SWORN TO AND SUBSCRIBED BEFORE ME, the undersigned, on this the 26 day of June, 2008, by ISRAEL R. GALINDO, to certify which, witness my hand and official seal.

Diane M. McFarland  
Notary Public Signature


Diane M. McFarland  
Notary Public's Printed Name



Signed by the Commissioner this 27<sup>th</sup> day of JUNE, 2008.

  
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Timothy K. Irvine, Commissioner  
Texas Appraiser Licensing and Certification Board

Approved by the Board and Signed this 27<sup>th</sup> day of JUNE, 2008.

  
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Clinton P. Sayers, Chairperson  
Texas Appraiser Licensing and Certification Board